AMERICAN FOREST & PAPER ASSOCIATION



GROWING WITH AMERICA SINCE 1861

June 29, 2005

The Honorable Kevin Brady 428 Cannon House Office Building Washington, D.C. 20515

Dear Congressman Brady:

We are writing to support passage of the legislation to implement the Central America/Dominican Republic-United States Free Trade Agreement (CAFTA/DR). The signatory nations to CAFTA/DR represent an important market for U.S. forest products, and we appreciate your leadership in obtaining Congressional approval of the agreement.

CAFTA/DR is of significant importance to the forest products industry. Last year, over half a billion dollars in paper, paperboard, and converted products, as well as nearly \$60 million in wood products, were exported to the participating nations. When the agreement is implemented, nearly 80 percent of U.S. paper products exports will receive immediate duty free treatment, and the remaining tariffs on our products will be removed over the next decade.

Our industry's recent experience in Chile is an example of the potential benefits to our companies from the passage of CAFTA/DR. During 2004, the first year of the U.S.-Chile FTA, American paper products exports to that South American market jumped by 62 percent to approximately \$55 million. Our expectation is that the current sizeable trade surplus for U.S. forest products with CAFTA/DR nations will grow once this agreement takes effect.

The forest products industry realizes that free and fair trade agreements hold potential benefits to all participants. To that end, we have recently been supportive of the U.S. free trade agreements with Chile, Australia, and Morocco. Zero tariffs on all paper and wood products, achieved in an accelerated manner, is a priority objective for the U.S. forest products industry. Congressional passage of the CAFTA/DR agreement will move the industry towards this goal and will assist the industry in achieving its objectives for the Doha Round of WTO negotiations and the potential FTA with Thailand. The agreement will also send a signal that the U.S. is committed to promoting economic growth in a region with important democratically elected governments.

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Your leadership in passing this implementing legislation is greatly appreciated. We remain committed to working with you and the Administration to approve CAFTA/DR over the coming weeks.

Sincerely,

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